

**COMMONWEALTH OF KENTUCKY
DEPARTMENT OF INSURANCE**

AGENT LICENSING DIVISION

Treva W. Donnell, Director

**CROP ADJUSTER
PROPERTY AND CASUALTY ADJUSTER
STAFF ADJUSTER
WORKERS' COMPENSATION ADJUSTER
APPRENTICE ADJUSTER**

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This document is for general information purposes only. It does not amend or precede provisions of the Kentucky Revised Statutes or Administrative Regulations. For more complete information, refer to the Kentucky Insurance Code.

A person who is paid to investigate or settle claims arising under insurance contracts must be licensed as an adjuster.

Exceptions – An adjuster license is not required for:

- Adjuster who is sent to Kentucky by an insurer to investigate claims relating to a declared common catastrophe, such as a tornado or hailstorm, officially declared by ISO (PCS), Disaster and Emergency Services, Office of the Governor. Under these circumstances, the unlicensed adjuster is permitted to adjust claims for up to 90 days, if the insurer files a request for unlicensed adjusters to adjust claims on Form 8307;
- Attorney licensed to practice law in Kentucky, acting in their capacity as an attorney for a specific client only. (If adjusting claims in general, an adjuster license is required);
- Licensed agent with claim authority granted by the insurer as long as the agent does not receive any compensation for adjusting services;
- Salaried traveling representative of a mutual or reciprocal insurer, who is acting in a supervisory capacity only (supervising business practices); representative who is not holding himself out to be an adjuster and is not adjusting claims in conjunction with the contract adjuster (field adjuster);
- Person employed only for the purpose of obtaining facts surrounding a claim or furnishing technical assistance to a licensed adjuster, including photographer, estimator, private investigator, engineer, and handwriting expert; or
- Person performing adjusting services under an agent license for limited line of authority for crop insurance.

Types of Adjusters – The Department of Insurance issues three types of adjuster licenses as listed below.

- **Independent Adjuster** – an adjuster who is an independent contractor, or employee of a contractor, who investigates and settles property and casualty claims solely on behalf of insurers;
- **Staff Adjuster** – an adjuster who investigates and settles property and casualty claims solely on behalf of insurers, and who is an employee, as defined in the Internal Revenue Code, United States Code, Title 26, Subtitle C,
- **Public Adjuster** – an adjuster who investigates and settles property and casualty claims solely on behalf of the insured;
- **Crop Adjuster** – an adjuster who investigates and settles crop claims only; or
- **Workers' Compensation Adjuster** – an adjuster who investigates and settles workers' compensation claims only.

NOTE: In addition these, licensed adjusters should visit the Web site of the Kentucky Department of Workers' Claims at <http://labor.ky.gov/dwc> for additional important information.

Insurance law expressly prohibits an adjuster from representing the interests of both the insurer and the claimant. Thus, the applicant for an adjuster license must select which group the adjuster intends to represent. Online application at: www.nipr.com

INDIVIDUAL RESIDENT OR NONRESIDENT ADJUSTER

The Kentucky Insurance Code provides for an independent adjuster license, staff adjuster, public adjuster license, workers' compensation adjuster license, or crop adjuster license without distinguishing between a resident and a nonresident; examination is waived if the individual has passed a state administered or sanctioned examination and an adjuster license was issued. An authorized insurer may not do business with an unlicensed adjuster in the Commonwealth of Kentucky.

QUALIFICATIONS – To be licensed as an independent adjuster, staff adjuster, public adjuster, crop adjuster, or workers' compensation adjuster, the individual applicant must:

- **Be at least 21 years old;**
- Be a resident of Kentucky or hold an adjuster license by examination in another state;
- Fulfill one of the following:
 - Be an employee of an insurer, or
 - Be a full-time salaried employee of a licensed adjuster, or
 - Be a graduate of a recognized law school, or
 - Have experience or special education or training as to the handling of claims long enough and frequently enough to be competent to fulfill the responsibilities of an adjuster;
- Be trustworthy and of good reputation;
- Be competent to exercise the license;
- Have an office accessible to the public;
- Be financially responsible;
- Pass a written examination in either Kentucky, or reciprocal state; and
- Pay nonrefundable fee.

APPLICATION – The applicant is required to certify, under penalty of perjury, that the application for the license is true. Further, the Department of Insurance must receive the following to process the individual's application:

- ☐ Individual License Application – Form 8301 (completed in its entirety and attaching the appropriate information)
 - Type of license: independent, staff, public, crop, or workers' compensation
 - Nonresident Electronic Application -- <https://www.nipr.com/html/nrlWelcome.html>
 - Resident Electronic Application -- <https://www.nipr.com/erl/>
- ☐ Criminal background report from Administrative Office of the Courts (AOC): obtain the report by ordering online at: <http://courts.ky.gov/aoc/AOCFastCheck.htm>
- ☐ Proof of financial responsibility, minimum \$1000 Surety Bond Form 99-3, or Insurance Company Assumption Form 99-6
- ☐ If using assumed name, copies of Certificate of Assumed Name filed with each Kentucky county clerk where the applicant intends to transact business
- ☐ All applicable non-refundable fees

FEES – The adjuster license applicant must remit \$50 for the license and \$50 for the examination, if the adjuster has not qualified by examination and is licensed in another state.

PRELICENSING TRAINING – N/A

CRIMINAL BACKGROUND CHECK – Statutory changes require the Department to assume responsibility for investigating whether the individual applying for a resident license is trustworthy, reliable, and of good reputation before issuing the license. As part of that investigation, the individual must submit a current criminal background report with his or her completed license application. Each individual applicant must obtain the criminal background report from AOC by ordering online at: <http://courts.ky.gov/aoc/AOCFastCheck.htm>. The application will not be processed until the DOI receives the report from the Administrative Office of the Courts (AOC). Note that the background report from AOC is valid for 60 days. At the end of 60 days from the report issue date, a new report will be required if the license has not been issued. If you apply for a new license or line of authority, a new background check report is required.

EXAMINATION – The individual must pass the adjuster examination, unless the applicant has an adjuster license that is based on a state-administered or sanctioned adjuster examination in another state.

After the Department has determined that the application and all necessary attachments are in order, the applicant will receive an examination notice that contains testing site information and the expiration date of the application. At that time, the individual must schedule an appointment for the examination online after setting up a password-protected account, by clicking on eServices at <http://insurance.ky.gov> or by calling the Agent Licensing Division at 502-564-6004.

ALL APPLICANTS MUST VERIFY “PENDING EXAMINATION” STATUS ONLINE IN ORDER TO SCHEDULE AN EXAM. ALSO, ALL APPLICANTS MUST PROVIDE GOVERNMENT-ISSUED PHOTO IDENTIFICATION WHEN ARRIVING FOR ANY EXAMINATION.

The applicant has 120 days from the date of the license application to pass the exam. The applicant may not take the exam more than three times during this 120-day period. If the applicant takes an exam and does not pass it, the applicant must schedule the retake and pay the \$50 fee online at <http://insurance.ky.gov> through eServices. The expiration date of the application appears on the initial exam notice, and may also be found on the applicant's profile through the eServices account. The application will be denied if the applicant fails to pass the exam prior to the expiration date. After this date, you may submit a new application, new AOC background check report, and appropriate fees to set up a new 120-day exam period.

Please be advised that if an applicant schedules an appointment for an exam and fails to appear for the scheduled appointment, the applicant will be required to pay an additional retake fee and schedule a new appointment.

All passing exam scores are good for one year. If license is never activated within this one-year period, the applicant must complete the application process again. This means that the applicant must submit all forms and fees, just like a first-time applicant, and pass the required examinations.

FINANCIAL RESPONSIBILITY – The licensee is deemed to act in a fiduciary capacity on behalf of the licensee's principal (the insurer or the person making a claim against the insurance policy) and, therefore, must post a bond guaranteeing the performance of this trust. The bond must be executed by an authorized surety company on Form 99-3, and must be a minimum of \$1,000. Insurance company may assume financial responsibility for named individuals by filing Form 99-6 naming the individual.

LOSS OF FINANCIAL RESPONSIBILITY – If at any time the proof of financial responsibility lapses for any reason and is not replaced by the deadline, the license will terminate by act of law. Details about the timely replacement of financial responsibility, which is being canceled, are set out in 806 KAR 9:210.

APPOINTMENT – N/A

ADDITIONAL LINES OF AUTHORITY – Independent and staff adjusters may also hold a crop adjuster license and/or workers' compensation adjuster license.

LICENSE RENEWAL –

License is renewed online.

- **Renewal notice is mailed** to the current address of record filed with the Department at least 30 days before the renewal deadline, and posted to the Web site simultaneously.
- **Renew online** at <https://www.nipr.com> or <http://insurance.ky.gov>
- **Confirmation** of renewal information is available on our Web site at <http://insurance.ky.gov> on eServices in the top right corner.
- **Renewal Period** is based solely on the licensee's birth date. Licensees must initially be licensed for one full year, and then are subject to renewal.
- **Renewal Deadline** is no later than the last day of the birth month in even numbered years if born in an even year, or odd numbered years if born in an odd year.

Individual license renewal is solely the responsibility of the licensee.

The licensee must check the Department's Web site or eServices account to confirm that the Department has received the renewal invoice, and any required renewal fees.

Failure to Renew License by Deadline – If the Department does not receive the license renewal invoice and any required fees within 60 days of renewal compliance date, the license will automatically expire. The licensee will be prohibited from conducting insurance business until the license is reissued.

However, if the licensee submits the renewal invoice, the late renewal penalty payment, and any required renewal fees within 60 days after the deadline, the license may be reissued without the need for a new license application or other documentation. Note that there will be a gap in the license (and any appointments) from the date of the deadline until the date the Department receives the signed renewal invoice, penalty fee, and any required renewal fees.

REISSUE OF TERMINATED LICENSE – The former licensee will have one year from the license termination date to re-qualify for the license without having to take the required examination. However, the former licensee must still submit a newly completed license application with all required attachments and pay the applicable fees. In addition to submitting a license application and paying the licensing fees, if the license was terminated for failure to maintain financial responsibility, the former licensee must obtain adequate financial responsibility and have the insurer or financial institution file the appropriate proof with the Department of Insurance.

Note that there will be a gap in the license from the date of the license termination until the date the license is reissued. During this gap, the licensee cannot exercise the license until the license is reissued.

CONTINUING EDUCATION – N/A

BUSINESS ENTITY RESIDENT OR NONRESIDENT ADJUSTER

The Kentucky Insurance Code provides for an adjuster license without distinguishing between a resident and a nonresident adjuster. Kentucky will verify electronically through National Association of Insurance Commissioners (NAIC) Producer Data Base (PDB), that a non-resident applicant is licensed and in good standing in the resident state. An authorized insurer shall not do business with an unlicensed adjuster in the commonwealth of Kentucky.

- **QUALIFICATIONS** – The staff adjuster license is limited to individuals. Business entities may not be licensed as staff adjuster. To be licensed as an independent adjuster, public adjuster, crop adjuster, or workers' compensation adjuster, the business entity applicant must have:
- Each individual who will act under the business entity license
 - Licensed as an individual adjuster for the same type of license (independent, public, crop, or workers' compensation); and
 - Designated with the Department of Insurance to act under the license.

APPLICATION – The applicant is required to certify, under penalty of perjury, that the application for the license is true. Further, the Department of Insurance must receive the following to process the business entity's application: online application <https://www.nipr.com/erl/index.html>

- ☐ Business Entity License Application – **Form 8301-BE** (completed in its entirety and attaching the appropriate information)
 - Type of license: independent, public, crop, or workers' compensation
 - Nonresident electronic application - <https://www.nipr.com/html/nrlWelcome.html>
 - Resident electronic application - <https://www.nipr.com/erl/>
- ☐ List of all individuals to act under business entity license
- ☐ For each individual to act under business entity license
 - Individual license application – **Form 8301**, or
 - License identification number for Kentucky adjuster license
 - For resident individuals, a criminal background report from AOC (obtain the report by ordering online at: <http://courts.ky.gov/aoc/AOCFastCheck.htm>).
- ☐ Proof of financial responsibility, minimum \$1000 Surety Bond Form 99-3, or Insurance Company Assumption Form 99-6
- ☐ Registration with Kentucky Secretary of State's Office is no longer a pre-requisite for non-resident licensure; however, entity should follow up with Kentucky Secretary of State's office to ensure compliance with Kentucky laws.
- ☐ If using assumed name, copies of Certificate of Assumed Name filed with Kentucky Secretary of State (<http://sos.ky.gov>) and each Kentucky County Clerk where the applicant intends to transact business
- ☐ All applicable non-refundable fees

FEES – The applicant must remit \$50 for the license plus all applicable fees for each individual for whom an application is filed. (See fees for individuals applying for the same license in the prior section.)

PRELICENSING TRAINING – N/A

EXAMINATION – N/A

FINANCIAL RESPONSIBILITY – The licensee is deemed to act in a fiduciary capacity on behalf of the licensee's principal (the insurer or the person making a claim against the insurance policy) and, therefore, must post a bond guaranteeing the performance of this trust. The bond must be executed by an authorized surety company and must be in the sum of \$1,000 or more.

Loss of Financial Responsibility – If at any time the proof of financial responsibility lapses for any reason and is not replaced by the deadline, the license will terminate by act of law. Details about the timely replacement of financial responsibility, which is being canceled, are set out in 806 KAR 9:210.

APPOINTMENT – N/A

ADDITIONAL LINES OF AUTHORITY – Independent adjusters may also hold a crop adjuster license and/or workers' compensation adjuster license.

LICENSE RENEWAL – The license continues in force until expired, suspended, revoked, or otherwise terminated if the licensee makes a written request for continuation and confirms certain other information in the Department of Insurance's records and pays the \$50 renewal fee.

The renewal and the payment of the license renewal fee stated on the renewal invoice are due from the business entity licensee by March 31 in

- Odd-numbered years for a business entity licensed in an odd-numbered year, and
- Even-numbered years for a business entity licensed in an even-numbered year.

(At least 30 days before the renewal deadline, the Department will send the licensee a renewal notification containing instructions on electronic renewal and deadlines.)

License is renewed online at <https://www.nipr.com> or <http://insurance.ky.gov>. Click on eServices for a password-protected account.

- **Renewal notification is mailed** to the current address of record filed with the Department at least 30 days before the renewal deadline, and may be renewed up to six months prior to deadline through eServices.
- **Confirmation** of renewal information is available on our Web site at <http://insurance.ky.gov> through an agent/agency search, or through eServices.
- **Renewal Period** is based solely on the license date. Licensees must initially be licensed for one full year, and then are subject to renewal.
- **Renewal Deadline** is no later than March 31, odd year if licensed in an odd year, even year if licensed in even year.

The licensee must check the Department's Web site to confirm that the Department has received the renewal response and payment, if applicable.

Failure to Renew License by Deadline – If the Department does not receive the license renewal and any required fees within 60 days of renewal compliance date, the license will automatically expire. The licensee will be prohibited from transacting insurance business until the license is reissued.

However, if the licensee submits the renewal invoice, the late renewal penalty payment, and any required renewal fees within 60 days after the deadline, the license may be reissued without the need for a new license application or other documentation. Note that there will be a gap in the license (and any appointments) from the date of the deadline until the date the Department receives the signed renewal invoice, penalty fee, and any required renewal fees.

REISSUE OF TERMINATED LICENSE – The **business entity** licensee must submit a newly completed license application with all required attachments and pay the applicable non-refundable fees.

Note that there will be a gap in the license from the termination date until the date of reissue. During this gap, the licensee cannot conduct business until the license is reissued.

INDIVIDUAL RESIDENT APPRENTICE ADJUSTER

In the event the applicant for an adjuster's license meets all other requirements for the license but does not have the experience or special education or training for handling claims, the applicant may be issued a temporary license as an apprentice adjuster without passing the examination. But at all times, the apprentice adjuster must be subject to training, direction, and control by a licensed adjuster acting in the same capacity. Further, the apprentice adjuster license is good only for a period up to 12 months. Therefore, the apprentice adjuster must pass the examination and be issued a permanent independent, public or workers' compensation adjuster license to continue adjusting claims beyond the 12-month period. However, while the license is active, the apprentice adjuster has all of the privileges and obligations of other adjusters. In addition, the apprentice adjuster is subject to administrative action against the license like all other adjusters licensed in Kentucky.

QUALIFICATIONS – To be licensed as an apprentice adjuster, the individual applicant must:

- Be at least 21 years old;
- Be a resident of Kentucky and designate Kentucky as his or her home state;
- Fulfill one of the following:
 - Be a full time salaried employee of an insurer, or
 - Be a full time salaried employee of a licensed adjuster, or
 - Be subject to training, direction, and control by a licensed adjuster;
- Be trustworthy and of good reputation;
- Be competent to exercise the license;
- Have an office accessible to the public;
- Be financially responsible; and
- Pay nonrefundable fees.

- ☐ **APPLICATION** – The applicant is required to certify, under penalty of perjury, that the application for the license is true. Further, the Department must receive the following to process the individual's application: online application <https://www.nipr.com/erl/index.html>

- ☐ Individual License Application – Submitted electronically through NIPR at this link: <https://www.nipr.com/erl/index.html>
NOTE: Sponsoring licensed adjuster information must be completed on application
 - ☐ Proof of financial responsibility, minimum \$1000 Surety Bond Form 99-3, or Insurance Company Assumption Form 99-6
 - ☐ Criminal background report from AOC (obtain the report by ordering online at: <http://courts.ky.gov/aoc/AOCFastCheck.htm>.)
 - ☐ All applicable non-refundable fees

FEES – The apprentice adjuster license applicant must remit \$25 for the license.

PRELICENSING TRAINING – N/A

CRIMINAL BACKGROUND CHECK – Statutory changes require the Department to assume responsibility for investigating whether the individual applying for a resident license is trustworthy, reliable, and of good reputation before issuing the license. As part of that investigation, the individual must submit a current criminal background report with his or her completed license application. Each individual applicant must obtain the criminal background report from AOC by ordering online at: <http://courts.ky.gov/aoc/AOCFastCheck.htm>. The application will not be processed until the DOI receives the report from the Administrative Office of the Courts (AOC). Note that the background report from AOC is valid for 60 days. At the end of 60 days from the report issue date, a new report will be required if the license has not been issued. If you apply for a new license or line of authority, a new background check report is required.

EXAMINATION – There is no examination required for the apprentice adjuster license. However, the apprentice adjuster must pass the adjuster examination before being issued a permanent adjuster license.

FINANCIAL RESPONSIBILITY – The licensee is deemed to act in a fiduciary capacity and, therefore, must post a bond guaranteeing the performance of this trust. The bond must be executed by an authorized surety company and must be in the sum of \$1,000 or more. An insurance company may assume financial responsibility for named individuals by filing Form 99-6 naming the individual.

Loss of Financial Responsibility – If at any time the proof of financial responsibility lapses for any reason and is not replaced by the deadline, the license will terminate by act of law. Details about the timely replacement of financial responsibility, which is being canceled, are set out in 806 KAR 9:210.

APPOINTMENT – N/A

ADDITIONAL LINES OF AUTHORITY – N/A

Upon the issuance of an adjuster license, any existing apprentice adjuster license will terminate.

LICENSE RENEWAL – The apprentice adjuster license cannot be renewed, extended, or reissued. This temporary license is good only for a period up to 12 months and expires at the end of that period. Therefore, the apprentice adjuster must qualify for a permanent adjuster license to continue adjusting claims beyond the 12-month period.

CONTINUING EDUCATION – N/A

INDIVIDUAL NONRESIDENT APPRENTICE ADJUSTER

Kentucky does not issue non-resident apprentice adjuster licenses.

BUSINESS ENTITY RESIDENT OR NONRESIDENT APPRENTICE ADJUSTER

The Kentucky Insurance Code limits the apprentice adjuster license to individuals. Business entities may not be licensed as apprentice adjusters.

WARNINGS

Notice of Action Against License – Every licensee must notify the Department of Insurance in writing within 30 days of initiation of any of the following:

- **Disciplinary action** taken by any jurisdiction against the license or any other professional license; or
- **Criminal action** taken by any jurisdiction against the licensee.

Address Change or Name Change – Every licensee must notify the Department of any change in residence address, business address, or legal name within 30 days of the change. Agents, individual or business entity, surplus lines brokers, rental vehicle agents and managing employees, specialty credit producers and managing employees, reinsurance intermediary brokers, and reinsurance intermediary managers are subject to a penalty up to \$1,000 for failure to do so. Adjusters, administrators, life settlement brokers, life settlement providers, and consultants are subject to a penalty up to \$2,000 for failure to do so.

Address changes and Name changes should be submitted through eServices secure account by clicking on eServices at <http://insurance.ky.gov/kentucky> to set up a password protected account. (Moving from Kentucky to another state may require surrendering the resident license and applying for nonresident license. Also moving to Kentucky from another state may require surrendering the nonresident license and applying for a Kentucky resident license.)

Name changes for Business Entities should be submitted through eServices, and all pertinent legal documentation approving the name change, including any amendments filed with the Kentucky Secretary of State, should be faxed or mailed to the Department of Insurance, Agent Licensing Division. Fax number 502-564-6030.

Corrected License Certificate – Because the insurance law requires that the license contain the licensee's name, city and state of principal place of business address, and other pertinent information, every licensee that changes this information must request a corrected license from the Department. To get a corrected license with the name, city, or state change, the licensee may request online through eServices, and return the out-of-date original license. A license with the new name, city, or state will be provided without charge and mailed to the current designated address of the licensed individual or the licensed

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Property and Casualty Adjuster
Staff Adjuster
Workers' Compensation Adjuster
Apprentice Adjuster
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business entity.

Change of Home State – A nonresident licensee who changes his or her home state to a state other than Kentucky must file a change of address online through eServices. No fee or license application is required.

MISCELLANEOUS INFORMATION

Notice of Commissioner's Order – Every licensee is deemed to have received any notice or order of the Commissioner mailed to the licensee's address on file with the Department of Insurance.

Licensee's Office Open to Public – If Kentucky is the home state, the licensee is required to have and maintain an office in Kentucky that is accessible to the public, and that is the place where the licensee principally conducts transactions under the license. This requirement does not prohibit the licensee from maintaining this office with an insurer, the employer, or in the home of the licensee. (Kentucky is the home state if the licensee has a Kentucky resident license or has a Kentucky principal place of business without a resident license from another state.)

Display of License and Retention of Records – The license of all licensees must be conspicuously displayed in each Kentucky place of business in a location customarily open to the public. In addition, complete records of transactions under the license must be kept at the place of business for at least five years after completion of the purpose for which it was created. [KRS 304.9-390 and 806 KAR 2:070]

Service of Process – All nonresident licensees are deemed to have irrevocably appointed the Kentucky Secretary of State to receive service of process in any court action against the licensee arising out of transactions under the Kentucky license.

Designations – A licensed business entity can only exercise its license through a designated licensed individual. Each designated individual has to hold the same kind of license as the business entity and, if the business entity license has lines of authority, have at least one of the same lines of authority. Further, the designated individual may only exercise the business entity license for the lines of authority held in common by both the business entity and the individual. (For example, a business entity is like a building: it cannot operate unless there is an individual to act for it in collecting the facts, interacting with the claimants, and settling the claims.)

Each licensed business entity must file with the Department of Insurance

- **Form 8305 – Notice of the designation** of an individual within 30 days of the designation;
- **Form 8305 – Notice of termination** of the designation within 30 days of the termination of designation; and
- **Annual report** by January 31, each odd year, of all designated individuals whose designations are not terminated prior to January 1. (The Department of Insurance will provide the format to be used for this report.)

Request for Kentucky Nonresident License –

- Kentucky will verify electronically through National Association of Insurance Commissioners (NAIC) Producer Data Base (PDB), that the nonresident applicant is licensed and in good standing in the resident state. However, if applicant is not on PDB, the Department will request information at that time.
- A nonresident individual or business entity, which has a Kentucky nonresident license and changes its home state, must file a Record Correction through eServices.

Request for Kentucky Resident License –

- Kentucky will verify electronically through PDB, that the nonresident applicant is no longer licensed in the other state.

Purchase of Kentucky Insurance Code – Because there is so much involved in the licensing and the legal requirements imposed on a licensee, the Department suggests that every licensee get a copy of *Kentucky Insurance Laws and Regulations, most current Edition*. This Kentucky insurance code can be purchased for \$53.00 through the Department of Insurance. It will provide a better understanding of Kentucky insurance laws and procedures.

In the alternative, the licensee may access Kentucky's insurance laws and administrative regulations at this link: <http://insurance.ky.gov/kentucky/laws.asp>. Select Chapter 304 Insurance Code, Subtitle 9 Agents, Consultants, Solicitors and Adjusters.

Forms and Additional Information – Kentucky-specific applications and most other forms for all licensees are available through the Department's Web site at <http://insurance.ky.gov/kentucky/> under the "Agent Licensing" section of the menu titled "Licensee Procedures, Forms and Information." A licensee is able to set up a secured password protected account through eservices to view personal information pertinent the licensee. The Licensing Division is also available to provide information and answer questions through its e-mail address at Doi.AgentLicensingMail@ky.gov or by telephone at 502-564-6004.

AGENT LICENSING AND OFFICE OF LEGAL SERVICES INSURANCE LEGAL DIVISION AGENT LICENSING DIVISION GUIDELINES FOR PROCESSING LICENSING APPLICATIONS WITH NEGATIVE BACKGROUND INFORMATION APPROVAL / DENIAL/PROBATION

Upon receipt of every application, NAIC Regulatory Actions are checked as part of the initial processing procedure.

1. Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?

"Crime" includes a misdemeanor, felony or a military offense. You may exclude misdemeanor traffic citations or convictions involving driving under the influence (DUI) or driving while intoxicated

(DWI), driving without a license, reckless driving, or driving with a suspended or revoked license and juvenile offenses. "Convicted" includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, or having been given probation, a suspended sentence or a fine.

If you answer yes, you must attach to this application:

- a) a written statement explaining the circumstances of each incident,
- b) a certified copy of the charging document,
- c) a certified copy of the official document, which demonstrates the resolution of the charges or any final judgment.

If you have a felony conviction, have you applied for a waiver as required by 18 USC 1033?

N/A _____ Yes _____ No _____

If so, was that waiver granted? (Attach copy of 1033 waiver approved by home state.)

N/A

_____ Yes _____ No _____

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. When all documentation is complete, the application goes to "review." Details on what is needed are as follows:

- a written statement explaining the circumstances of each incident (Must be VERY detailed – complete explanation – not just three or four sentences.)
- a copy of the charging document (police citation, indictment, warrant, or other court document you received when charges were made).
- a copy of the official document which demonstrates the resolution of the charges or any final judgment (court document showing final judgment of conviction, diversion agreement, or final court order signed by judge).

If these documents are no longer available from the court office, then a letter must be submitted from that court office stating they have been destroyed, OR a computer printout from the court office that is "certified" by a court employee may be submitted in lieu of the original documents.

2. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company, ever been involved in an administrative proceeding regarding any professional or occupational license, or registration?

"Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation or surrendering a license to resolve an administrative action. "Involved" also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license. "Involved" also means having a license application denied or the act of withdrawing an application to avoid a denial. You may EXCLUDE terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

If you answer yes, you must attach to this application:

- a) a written statement identifying the type of license and explaining the circumstances of each incident,
- b) a certified copy of the Notice of Hearing or other document that states the charges and allegations, and
- c) a certified copy of the official document, which demonstrates the resolution of the charges or any final judgment.

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After receiving all attachments, the application goes to "review."

3. Has any demand been made or judgment rendered against you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company, for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding? Only include bankruptcies that involve funds held on behalf of others.

If you answer yes, submit a statement summarizing the details of the indebtedness and arrangements for repayment, and/or type and location of bankruptcy.

Personal bankruptcies are excluded. Agent Licensing reviews all documentation on demand, judgment, or bankruptcy. The applicant is contacted if additional documentation is required for determination. If there is a bankruptcy, Agent Licensing requests that the "Discharge of Debtor" is attached to application with a brief explanation of reason for bankruptcy. Also, if the bankruptcy happened within the last two years, a list of creditors must be supplied. Agent Licensing accepts faxed copies.

4. Have you been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement?

If you answer yes, identify the jurisdiction(s): _____

According to KRS 304.9-440 (1)(o) and other applicable state law, the Department of Insurance denies any applicant who has delinquent tax obligation that is not the subject of a repayment agreement in Kentucky. However, we will keep the application in a pending status for an extended period of time to allow applicant to contact Kentucky Revenue Cabinet and set up a repayment agreement. DOI must receive documentation showing there is a repayment arrangement with Kentucky Revenue. Each application is reviewed on a case by case basis, and it may be necessary to issue an agreed order of probation for the same period of time it takes to repay the obligation to the state. Once the agreed order is signed by the applicant and the Commissioner, the application will be processed.

5. Are you currently a party to, or have you ever been found liable in, any lawsuit or arbitration proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty?

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident,

- b) a certified copy of the petition, complaint or other document that commenced the lawsuit or arbitration, and
- c) a certified copy of the official document, which demonstrates the resolution of the charges or any final judgment.

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After all documentation is received, application goes to "review."

6. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company, ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct?

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and
- b) certified copies of all relevant documents.

Agent Licensing checks to make sure all of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After all documentation is received, application goes to "review."

7. Do you have a child support obligation in arrearage?

If you answer yes,

- a) by how many months are you in arrearage?
- b) are you currently subject to a repayment agreement?
- c) are you the subject of a child support related subpoena/warrant?

Agent Licensing requires applicant to submit official documentation showing that child support payments are being made. This may be a computer printout from court-ordered overseer of the account, or a copy of pay stubs showing automatic withdrawal of child support payments.

NOTES:

Any time a background infraction is disclosed, the review may require additional time in order to go through several levels. Based on the charges, the application may be pending review for several weeks, even several months. Occasionally, our office has to make calls or correspond with other attorneys or court offices to obtain all the information we need to make a fair judgment.

Each applicant is encouraged to attach ALL requested documents when submitting the application initially. This allows the application to go to "review" as soon as it is entered in our system, without having to write back for additional items.